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Honorable Chairman Bruce Tutved;

Thank you Mr. Chairman and committee members for this opportunity to address this committee.

I am writing this letter in opposition to SB 295.

I have been working in the oil fields of eastern Montana and western North Dakota for forty plus years, Everett Mitchell, the late Eddie Mansheim and I started Mitchell's Oilfield Service in 1977. We have firsthand knowledge of the effects of the Oil & Gas "tax holiday." During the last half of the "80s" Mitchell's maintained 30 to 40 employees. Our major oil customers were Shell Oil and Burlington Resources. Both were in the oil and gas production and exploration. The tax "holiday" on new production allowed the oil companies to experiment with different technology and or techniques to increase production i.e. directional drilling, fracing. They were investing around \$300,000.00 per well in hopes of increasing production, please keep in mind the price of oil was around \$20.00 per barrel.

Mitchell's Oil Field Service was fortunate and glad to provide the additional services of moving the re-entry rigs and all their equipment. Our employee numbers increased from 38 to around 120. Plus we were able increase wages and benefits to all the employees and purchase newer equipment such as bigger cranes, heavier trucks and trailers and additional roustabout trucks. Currently Mitchell's Oil Field Service has 530 employees, 250 live in Montana.

Mitchell's has been blessed by being able been a major employer in all the expansion of the Cedar Creek Anticline, East Look Out Butte, Cedar Hills, Elm Coulee and the Bakken. This has all came about because the "tax holiday" has allowed these companies to invest for experimental exploration, the state of Montana is a major stakeholder in that the state reaps tremendous tax benefits from the long term production. While the companies take the risks.

Montana can't compare our oil exploration and production to North Dakota because the formation become narrower as it comes west. A 1000 barrel per day well is common in ND but not in Montana. I have had a number of oil companies executives including Harold Hamm with Continental Resources tell us Continental will not come if they loss this tax incentive.

Every citizen in Montana has benefited by the former and current oil exploration that has been and continues to be developed in Montana. Understand that all wealth comes from our natural resources. We must develop all this state's resources or provide the opportunity for those wishing to invest in our resources to develop them. We need to take the attitude that North Dakota has and that is to feed this cash cow not butcher.

I would ask that SB 295 be rejected. This bill is a job killer.

Thank you for your time and consideration.

Duane Mitchell